

Dawn Lape-Gunn  
lia sophia advisor

July 11, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. In its present form, it could prevent me from continuing as a lia sophia advisor. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell lia sophia products.

I have been a lia sophia advisor for a little over a year now. I originally, became a lia sophia advisor because I loved the product and wanted to help with my families income. My husband is a Merchant Marine and because of his work schedule it is hard for me to hold a conventional 9 to 5 job and afford day care for my child. My direct selling business helps support my family. The future of my family is dependent on the stability of the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new advisors. lia sophia sales kit only cost \$99. People buy TV's, cars, computers and other items that cost much more and they do not have to wait seven days. This waiting period give others the impression that there might be something wrong with the company or the company's compensation plan. I also think that this seven-day waiting period is unnecessary, because lia sophia already has a 90% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about lia sophia and will then need to send in many reports to my company headquarters.

The proposed rule also calls for the release of any information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless lia sophia is found guilty. Otherwise lia sophia and I are put at an unfair advantage even though lia sophia has done nothing wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information for individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will have to send the address of the prospective purchaser to lia sophia

headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a lia sophia salesperson – “If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers.” People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with the individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Dawn Lape-Gunn